

**Lisa Newman Testimony on Career Training Institute's
Subsidized Employment Program
February 3, 2011**

Between 2009 and 2010, Career Training Institute's Pathways to Opportunity Subsidized Employment program placed 95 individuals in subsidized jobs averaging \$11.48 an hour.

CTI's Subsidized Employment program targeted the long-term unemployed as well as individuals who were dislocated because of economic conditions. Worksites provided onsite training for up to six months or 1,040 hours in public, private or non-profit worksite where individuals worked between 20 and 40 hours per week. In addition, each individual had up to \$600 available for work-related support services.

CTI developed worksites throughout Broadwater, Jefferson and Lewis and Clark counties with an emphasis on high-growth occupations. Types of jobs included dental hygienist, diesel mechanic, administrative assistant, housing specialist, case manager, network technician, lab assistant, graphic designer, records clerk, auto technician, billing clerk, construction laborer, direct care specialist and many others. Forty-five percent were hired by the worksite even though there was no obligation by the employer to hire at the end of the training period.

This program was a win-win-win for individuals, employers and communities. First, it was an investment in individuals by giving them a job where they earned a paycheck and learned new skills. We noticed early on that some applicants had education or training, but lacked the work experience necessary for them to compete in the labor market. Others were discouraged job seekers. Second, the program provided employers with workers at no cost at a time when employers were hesitant to hire. Third, local economies benefited by the money spent by families for basic goods and services for rent, groceries, utilities, gas and clothing.

The benefits of this program did not end with the last paycheck. Individuals will typically be eligible for the Earned Income Tax Credit, Making Work Pay Tax Credit and Child Tax Credit. This alone will bring hundreds of thousands of dollars into Montana in 2011.

Hello Stacy:

I entered into the pathway program thru cti in 2009. With the help of cti I was hired with Watkins Shepard Trucking as a diesel mechanic. I did stay with Watkins after the pathway program expired. Then in June 2010 I ventured into my own trucking business. I had a positive experience with cti, and believe it is a better way of spending tax payer money, than most. With high unemployment, and a tough economy, helping employees and employers get together is what is best for montana.

Regards Tim Ackerman

**Lisa Newman Testimony on Career Training Institute's Family Economic Security Program
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Thank you for the opportunity to comment on the Family Economic Security Program funded by the Montana Department of Public Health and Human Services.

Career Training Institute's FES program is known as the YE\$\$ program, Youth Experiencing Security and Success. YE\$\$ offers comprehensive services that promote education, career development and the value of work. We serve eligible youth and young adults between the ages of 16 and 30 in Broadwater, Jefferson and Lewis and Clark counties. This program addresses the need of the *Recession Generation* as more and more young adults and teens are struggling to compete for jobs with experienced, dislocated workers. This population is currently experiencing high poverty and joblessness. According to the Bureau of Labor Statistics the jobless rate for workers under 30 is far higher than those later in their careers and for those between 16 and 19, the unemployment rate in December, 2010, was over 25 percent.

Our program reduces barriers through case management, promoting educational attainment at the secondary and post-secondary levels, preventing youth from dropping out of school, providing financial literacy and asset development, conducting job readiness and life skill workshops, and offering paid work experience. The case manager works closely with each youth to identify short and long term goals that lead to self sufficiency and financial security.

- Financial literacy involves education that encompasses opening their first bank account, credit options, tax incentives, money management, setting financial goals, repairing credit, and managing debt. During the spring of each year, we encourage youth to file their taxes and claim the tax credits.
- A considerable amount of time is spent with youth identifying career paths and training opportunities. Because many of the youth we see are disconnected, the case manager often serves as an advocate and mentor. She helps them develop resumes, complete job applications, complete college applications and financial aid applications, access community resources and provide overall guidance on finding solutions to their problems.
- Paid work experience is much like an internship where participants are matched to jobs that correspond to their career interests. This is often their first job. A bi-weekly paycheck makes it possible for them to purchase goods and services, and participate in the matched savings program.

Since, July, 2009, CTI has served 57 participants between 16 and 30. Of those, almost one-half are in high school or a GED program. When we responded to the RFP in 2008, in addition to financial literacy, we set a goal that at least 80 percent of participants would successfully complete two or more age-appropriate training and education activities. We are currently at a 91 percent successful completion rate with five months to go. Thirty participants have opened matched savings accounts that are matched \$2 for every \$1 they deposit. Those funds have been used for purchasing vehicles, laptops and software for school, childcare, utility bills, housing, work tools or clothing and other work or educational expenses.